

**Ashbrook Condominiums Owners Association
Resolution Number 5 – Insurance**

WHEREAS, the Declaration of Condominium Ownership of the *Ashbrook Condominiums Owners Association, Inc.*, a nonprofit corporation formed under the laws of the State of Oregon, states that the Association membership shall obtain and maintain in force policies of insurance as provided in the Declaration or the Bylaws of the Association:

AND WHEREAS, Articles 4, Units, Article 5, General Common Elements, and Article 6, Limited Common Elements, define areas of responsibility for owner and Association coverage,

AND WHEREAS, Article 8, Insurance, of the Bylaws of the Ashbrook Condominiums Owners Association, further clarifies the type of insurance and the responsibilities of the Association and the Owners to place and maintain in force at all time appropriate insurance to protect the Owners, the Association and its members;

AND WHEREAS, it is the intent of the Board of Directors to help ensure:

1. That the Association has adequate coverage for property and liability insurance, and
2. The Association can have continuing insurability at a reasonable price, and
3. There is a program to minimize the number of insurance claims, and
4. There is a procedure for reporting and processing insurance claims, and
5. There is a procedure for administering repairs where claims are made against the Association’s insurance policies.

The Declarations and Bylaws of the Association are silent regarding responsibility for the payment of the Association insurance policy deductible. Article 8.1, Section (2), states that the insurance coverage is “subject to a maximum deductible of the lesser of \$10,000 or one percent of the policy amount.” The current established deductible is \$10,000.

NOW THEREFORE, BE IT RESOLVED THAT the conditions, requirements and procedure set forth below be adopted.

I. INSURANCE DEDUCTIBLE; OWNER AND TENANT INSURANCE

1.1. Determination of Deductible; Notice.

(a) Determination of Deductible by Board. The Board of Directors shall determine the amount of the deductible for property loss insurance policies and any other

insurance policies required to be obtained by the Association as provided in the Declaration or the Bylaws of the Association or applicable law. In determining the deductible under the policies, the Board shall take into consideration, among other factors, the availability, and cost and loss experience of the Association. In making the determination, the Board members shall exercise their reasonable business judgment. The Association's deductible for property damage is \$10,000. The deductible is per occurrence. The earthquake and General Liability deductibles are different.

(b) Notice. The Board of Directors shall give written notice to the owners of the amount of the deductible under the Association policies and any change in the deductible proposed in renewal or replacement insurance policies not more than ten (10) days after the effective date of the change. The notice shall be delivered to each unit or mailed to the mailing address of each unit or mailed to the mailing address designated in writing by the owners. The notice shall include the following notice in at least 12-point type that is either all capitals or boldface:

**NOTICE
CHANGE IN ASSOCIATION
INSURANCE COVERAGE**

THERE ARE CHANGES IN INSURANCE POLICIES CARRIED BY THE ASSOCIATION. YOU SHOULD IMMEDIATELY NOTIFY YOUR INSURANCE AGENT OF THE CHANGES SET FORTH IN THE ENCLOSED INFORMATION AND ASK YOUR AGENT TO DETERMINE IF CHANGES TO YOUR INSURANCE POLICIES ARE NECESSARY.

1.2. Responsibility for Insurance. The Responsibility for insurance shall be as provided in this section.

(a) Owners Property Insurance. Owners shall be responsible for obtaining and maintaining insurance policies insuring their units for any losses less than the deductible amount under the Association's policies and for insuring their own personal property for any loss or damage.

(b) Tenants. Tenants shall be responsible for insuring their own personal property for any loss or damage.

(c) Owner and Tenant Liability Insurance. Owners and tenants of all units shall obtain and maintain comprehensive liability policies having combined limits of not less than Three Hundred Thousand Dollars (\$300,000) for each occurrence. The insurance shall provide coverage for, without limitation, the negligent acts of owners and tenants and their guests or other occupants of the units for damage to the general and limited common elements and other units and the personal property of the others located therein.

(d) Association. The Association shall have no responsibility to obtain or assist in obtaining property loss insurance for any owner or tenant for:

(1) Damage to a unit not covered by the Associations' policy (because of the deductible amount or because the claim for loss or damage is one not normally covered by fire and property loss insurance policies with extended coverage endorsements); or

(2) For any damage or loss to the owner's or tenant's personal property.

1.3. Deductible

(a) Damage Not Resulting from Negligence.

(1) Damage Affecting More Than One Unit. If a loss affects more than one unit, when there is no negligence by any party, the parties which have sustained damage (the Association, unit owners or both), shall pay their proportionate share of the Association deductible. The share shall be a percentage determined by dividing the damage to those portions of the building the non-casualty maintenance of which is the responsibility of the party under the governing documents of the association, into the total of all building damage incurred in the loss.

(2) Damage Affecting One Unit. If the damage is confined to a single unit, the unit owner shall be responsible for the entire deductible of the master association policy.

(b) Damage Resulting From Negligence. If a loss affects more than one unit, the common elements or a combination thereof, to the extent the damage is the result of the negligence of a party, the deductible shall be allocated to the negligent party.

(c) Owner Policy Deductible. Owners of damaged units shall be responsible for payment of their individual condominium unit owner policy deductible.

II. Duplicate Insurance Coverage. In the event of duplicate insurance coverage, the insurance policy obtained by the unit owners shall be considered the primary coverage.

III. Procedure for Claims Handling

3.1 All claims against the Association's insurance shall be processed through and coordinated by the Association's Managing Agent, as authorized by the Board of Directors..

3.2 The additional charges of the Managing Agent for handling claims shall be paid by the Association to the extent the deductible is paid by the Association; and by the owner to the extent the deductible is paid by the owner. The deductible is per occurrence. The Association shall include the Managing Agent's insurance claims administrative services within the insurance claim, if a claim is filed. Dependent on the nature and severity of the claim additional fees may be incurred, but not limited to, the following professionals; Association Attorney, Architect, Civil/Structural Engineer, etc. Regardless of whether a claim is filed additional charges for Managing Agent oversight is the responsibility of the Association as set forth in the Management

Contract. The Board may decide to pass some or all of the charges to an individual unit owner.

3.3 The Association shall seek reimbursement for all expenses of processing the claim from an owner when the claim exists and the insurance does not cover all the costs based on the same percentage share as the deductible is allocated.

1. The Association's insurance does not cover personal liability of unit owners, and property insurance does not cover loss or damage to personal property and freestanding appliances. Owners need to gain the advice of their Insurance Agent in determining the amount of personal liability, property, personal property, deductible and other insurance they should have in their individual policies.
2. The minimum general liability is \$1 million, with additional coverage as may be determined by the Board of Directors. This does not cover individual liability for owners within their condominiums.
3. The Directors & Officers liability coverage is \$1 million, with additional coverage as may be determined by the Board of Directors. The Association members indemnify board members, committee members and the managing agent.
4. The directors, officers, employees and managing agent shall not be liable to the Association or any member thereof for any damage, loss or prejudice suffered or claimed on account of any action or failure to act in the performance of his or her duties, except for acts of gross negligence or intentional acts. In the event any member of the Board of Directors, any officer, employee or the managing agent of the Association is made a party to any proceeding because the individual is or was a director or officer or manager of the Association, the Association shall indemnify such individual against liability and expenses incurred to the maximum extent permitted by law.

Approved by the Board of Directors June 27, 2006

Application by Owner to Association for Insurance Claim

1. Phone the Association office (503) 246-8806 to report the event immediately.

2. Provide information relating to the event, including
 - a. Date:

 - b. Time:

 - c. Name(s) of individual present/observing the event:

 - d. Description of the event:

 - e. Other units affected (please ask these owners to contact the association office and submit an application for their respective units):

Mail to: Ashbrook Condominium
P.O.Box 25469
Portland, OR 97298

Or

FAX to: (503) 246-8863